

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2020

Docket No. ACR2020

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO  
QUESTIONS 1-2 OF CHAIRMAN'S INFORMATION REQUEST NO. 21

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 21, issued on February 22, 2021. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 21**

1. Regarding its estimated cost savings from processing mail in Flats Sequencing System (FSS) zones on the Automated Flats Sorting Machine (AFSM) instead of the FSS, the Postal Service states that “[h]owever, caution should be used in drawing conclusions from the cost models to assess this temporary change in processing because: 1) cost models measure annual costs and are not fully responsive to momentary and sporadic operational changes that were implemented for flats processing in FY 2020; 2) limitation of the FSS delivery costs estimated in folder 19; and 3) cost models measure attributable costs, and make no attempt to incorporate potential changes in institutional costs.”<sup>1</sup> Has the Postal Service studied the institutional cost savings from the FSS? If so, please provide summary of study. If not, please indicate if the Postal Service intends to do so in the future.

**RESPONSE:**

No such studies have been identified, and no plans to conduct any such studies in the future have been identified.

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<sup>1</sup> Responses of the United States Postal Service to Questions 1-15 of Chairman's Information Request No. 13, February 16, 2021, question 8 (Response to CHIR No. 13).

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2. The Postal Service states “[t]he methods used to estimate the FSS zone costs were done to support FSS pricing, and not to determine the difference in delivery costs between FSS processed and non-FSS processed pieces.” Response to CHIR No. 13, question 8. Has the Postal Service studied the difference in delivery costs between FSS processed and non-FSS processed pieces? If so, please provide summary of study. If not, please indicate if the Postal Service intends to do so in the future.

**RESPONSE:**

No such studies have been identified, and no plans to conduct any such studies in the future have been identified.